

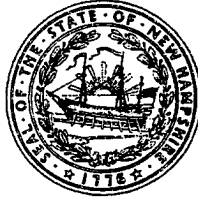
TAB 22

APPENDIX A – NH 271 EXHIBITS

Letter dated 5/9/2002 re 5/2/02 and 5/20/02 Section 271 Filing

PUBLIC VERSION

STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION

8 Old Suncook Road
Concord, N.H. 03301-7319

CHAIRMAN
Thomas B. Getz

COMMISSIONERS
Susan S. Geiger
Nancy Brockway

EXECUTIVE DIRECTOR
AND SECRETARY
Debra A. Howland

TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-2431

FAX No. 271-3878

Website:
www.puc.state.nh.us

May 9, 2002

DT 01-151, Verizon New Hampshire, Section 271 Filing
DT 01-006, Carrier to Carrier Guidelines

To the Parties:

On May 6, 2002, the Telecommunications Oversight Committee filed the attached which has been docketed in DT 01-151, Section 271 Filing and DT 01-006, Carrier to Carrier Guidelines.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Debra A. Howland".

Debra A. Howland
Executive Director & Secretary

DAH/acl
Encl.



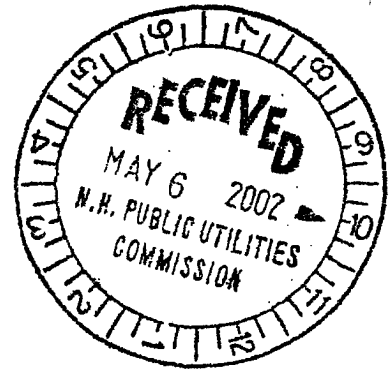
State of New Hampshire

HOUSE OF REPRESENTATIVES

CONCORD

DT01-151

May 2, 2002



Thomas Getz, Chairman
Susan Geiger, Commissioner
Nancy Brockway, Commissioner
New Hampshire Public Utilities Commission
8 Old Suncook Road
Concord, NH 03301

RE: Telecommunications Oversight Committee position statement regarding Verizon 271 Application

Mr. Chairman & Commissioners:

The Telecommunications Oversight Committee is concerned with the failure of parties to reach an agreement with Verizon regarding their application to enter the long distance market. We therefore invited the parties to meet with our committee to clarify respective positions.

Three meetings were held. In the first meeting of 04/05/02 Kate Bailey presented an informative briefing beginning with the 1984 Modified Final Judgement decision by the FCC. She concluded with a summary of your findings and position on the status. Next, Mike Hickey presented an overview of Verizon's application and the areas of concern his company had. He and his staff detailed the additional commission requirements beyond what all northeastern states have required and the potentially damaging monetary requirements without due process.

In our second meeting on 04/12/02 we heard from the consumer advocate, several CLEC's and ISP representatives. All felt that you had not gone far enough in establishing service requirements and UNI rates. A representative from the Maine CLEC Coalition testified that the UNI rates in New Hampshire inhibited them from establishing a competitive market here for example. Your letter on 04/10/02 instructed the 'parties' to work things out.

In our last meeting on 04/26/02 we asked Kate Bailey to address the current stalemate and Mike Hickey to respond with Verizon's position.

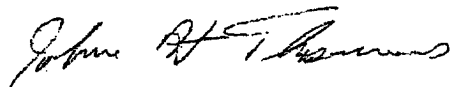
The Telemarketing Oversight Committee's analysis of the current stalemate is as follows:

An open competitive telecommunications market is a FCC prerequisite for entry into the long distance arena. Competition in the local market provides innovation, expanded product offerings and competitive pricing plans that will benefit New Hampshire consumers. That does not suggest or imply that CLEC's and ISP's are allowed to negotiate UNI rates or otherwise establish other conditions as 'parties' to the proceedings. That is the Public Utilities Commission's responsibility. In no market does the 'competition' decide whom the 'competition' will be except through the actual arena of free enterprise. Otherwise, true competition will not exist. You established Teleric Compliant Rates after a lengthy investigation less than a year ago. AT&T representatives testified that wholesale UNI rates are too high yet they offer local telephone service below these rates as part of package deals in certain areas of the state. The Maine CLEC coalition indicated to us that could not compete here, but a quick review of Maine's wholesale rates and concentrated zone areas would suggest a broader more favorable opportunity in New Hampshire. Asking for a reduction in these established rates without due process and implying those rates are excessive, is an unfavorable reflection on the recent commission findings. Qualifying your 271 recommendations concerning these rates is therefore not appropriate in our opinion.

Another area of concern involves the effect of the Commission's PAP conditions. There is a certain implied arrogance in suggesting that New Hampshire stands alone by requiring additional quality standards and penalties to insure service levels. Verizon will not proceed in New Hampshire with these additional precedence-setting conditions or qualifications added to your recommendation.

We take pride in New Hampshire with our entrepreneurial business climate that promotes innovation and opportunity. The Verizon long distance option will be available in all New England states except New Hampshire. This will create a hostile telecommunications environment here and that will not promote the New Hampshire spirit. A fair and reasonable recommendation by the Commission that is consistent with neighboring states is in our best interest. You accede no authority in doing so. It is not up to the 'parties' involved to move the 271 request forward. It is up to you. Based on my discussions on 04/29/02 with Verizon, if this unique and restrictive decision is not modified, New Hampshire will be put at the back of the list behind all other states in the Verizon market if they decide to compete in New Hampshire at all. Your authority will not be impaired and you may refine performance conditions or Teleric Compliant Rates in future hearings as warranted.

Sincerely,



Representative John H. Thomas, Chairman
Telephone Oversight Committee



Senator Carl R. Johnson
Vice-Chair

CC: Arthur P. Klemm, Jr., Senate President; Sen. Robert K. Boyce, Sen. Lou D'Allesandro, Rep. Gene Chandler, Speaker of the House; Rep. Jeb E. Bradley, Rep. Joseph D. Harris, Rep. Harold V. Lynde, Rep. Stephen Sloan, Rep. Roy D. Maxfield, Rep. David R. Meader



State of New Hampshire

GENERAL COURT

CONCORD

May 20, 2002

Thomas Getz, Chairman
Susan Geiger, Commissioner
Nancy Brockway, Commissioner
New Hampshire Public Utilities Commission
8 Old Suncook Road
Concord, NH 03301

Re: Verizon 271 Application

Mr. Chairman and Commissioners:

The Telecommunications Oversight Committee, due to requests from constituencies, business and members of state government, has held four hearings regarding the appearance of a roadblock in your proceedings with Verizon's 271 application. After involvement of this committee, the PUC staff and Verizon have narrowed the number of conflicting positions to two items of disagreement. One deals with UNE rate pricing and the other with items in the performance assurance plan.

The unbundled network element rates for the urban, suburban and rural zones were set by the PUC one year ago and were TELRIC compliant. The urban and suburban rates are between Massachusetts and Maine rates, which we feel is a more reasonable comparison than the other regional states. In response to the committee hearings, Verizon offered to lower the rural zone rate from \$34.87, which was considerably higher than other regional states, to \$25.00. Verizon also agreed to these rates being considered temporary in nature as the commission may open a full rate investigation under RSA 378 immediately on receipt of FCC approval. The staff representatives seemed to be in concurrence with this concept.

Upon our review of the FCC finding in the Vermont decision, they specifically found that these TELRIC rates may differ from state to state providing that a thorough examination was conducted by the state commission. The FCC would not reject an application because rates were different or higher from one state to another.

In regards to discussions on intra-switch call pricing, the FCC stated in the Vermont decision that such fact specific questions are best resolved in a state rate proceeding rather a section 271 review.

The committee still feels that the Performance Assurance Plan which has been accepted in other states in the Northeast is adequate to safeguard the interests of all parties in New Hampshire. We understand from Kate Bailey that additional

quality standards and penalties may no longer be an issue. We commend your staff for their openness in dealing with this complicated PAP process.

We recognize the lengthy process undertaken by the Commission and staff. If we are correct in our investigation of these two remaining issues, we would expect the PUC to accelerate the final stages of the application process and allow Verizon NH to move forward.

Sincerely,



Representative John H. Thomas, Chairman
Telecommunications Oversight Committee



Senator Carl R. Johnson
Vice-Chair

Cc: Senator Arthur P. Klemm, Jr. (Senate President), Senator Boyce, Senator D'Allesandro, Representative Gene G. Chandler (Speaker of the House), Representative Bradley, Representative Harris, Representative Lynde, Representative Sloan, Representative Maxfield, Representative Meader